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The Air Travel Value Proposition: Safer, Cheaper, Greener, Quieter – and Fast

Updated May 11, 2020

“This is probably the best time in modern history in which to fly.”

Michael Taylor, Sr. Director, Travel & Hospitality Intelligence, J.D. Power (May 29, 2019)

Source: <https://www.usatoday.com/story/travel/flights/2019/05/29/j-d-powers-best-airlines-customer-satisfaction-2019-southwest-jetblue-alaska/1256499001/>

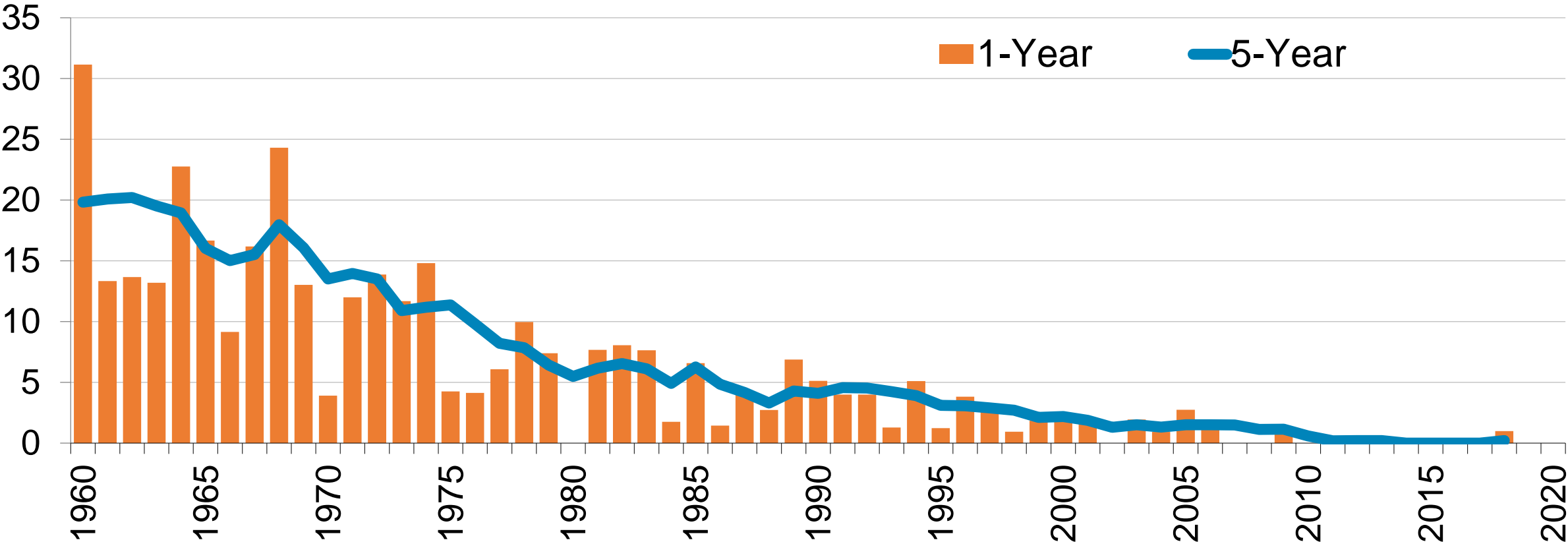
By Almost Every Measure, the Golden Age of Air Travel Wasn't Then – It Is Now

	Pre-Deregulation (Before 1979)	Today
Safety	Feared by many; fatality risk = 1 in 1M	Safest travel mode; fatality risk = 1 in 135M
Competition	Only 1-2 airlines per route, no price competition	No limit on carriers per route; vigorous competition
Affordability	Average domestic round trip > \$600 including fees	Average domestic round trip < \$400 including fees
Accessibility	Luxury good (mostly high-income) – 63% had flown	Accessible to all – 88% have flown; mass transit
Small-market service	Often propeller aircraft, suboptimal times	Widespread jets, market-driven flight times
International service	Flights, carriers, cities, sales limited by law	Plentiful, cheaper due to “Open Skies”
Routings & frequency	Often multiple stops, few flights/day/week	Plentiful nonstop/one-stop, multiple flights/day
Shopping	Phone calls, ticket offices, travel agents	A few clicks online
Ticket delivery	By mail only	Universally electronic, retrievable
Checking in	Lined up at the ticket counter	Online, kiosk, mobile
Inflight entertainment	Occasional movie, far-away shared screen	Unlimited options, streaming to personal devices
Bag tracking	No tools at customers' disposal	Mobile tools becoming universal
Environmental impact	Not very fuel efficient; more CO ₂ per flight	~130% more efficient; substantial avoidance of CO ₂

Source: A4A and Patrick Smith, “There Was No ‘Golden Age’ of Air Travel,” *New York Times* (May 27, 2017)

U.S. Airline Industry Safety Has Improved Markedly

Fatal Accidents per 10M Aircraft Departures (Scheduled Part 121 Operations)

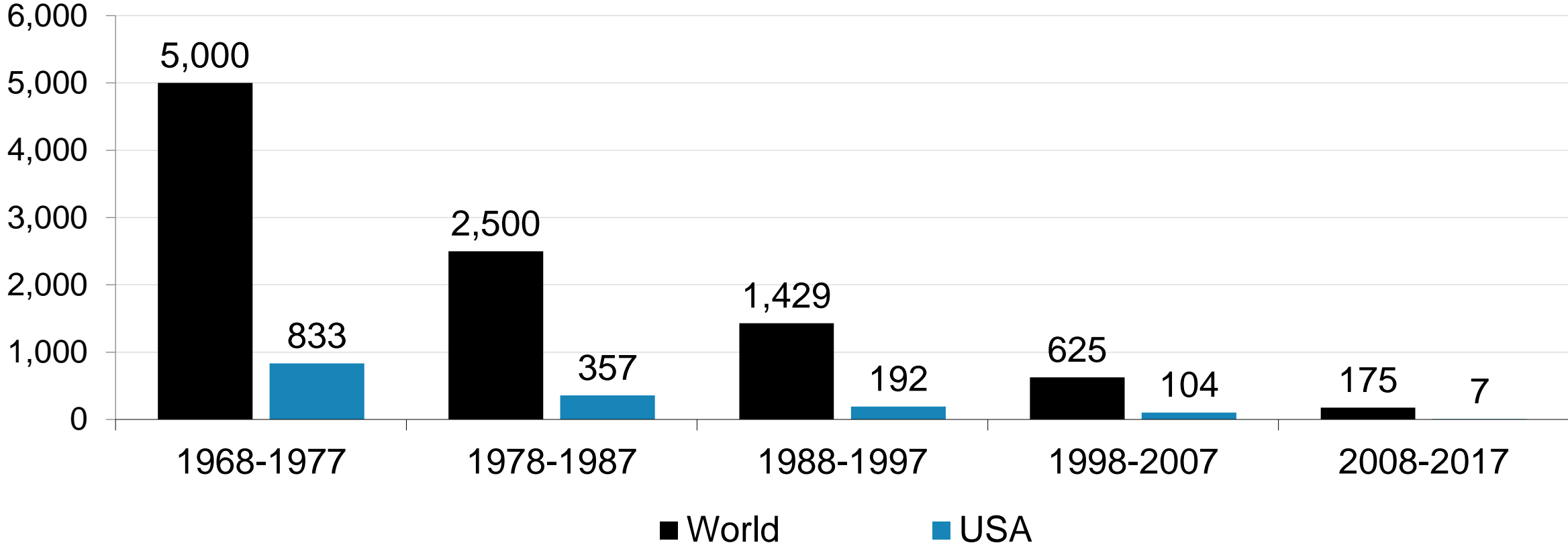


Source: A4A analysis of data from the National Transportation Safety Board (Tables 6 and 12) for U.S. air carriers operating under 14 CFR 121, scheduled service

We're Experiencing the Safest Period in Aviation History

The Fatality Risk for a U.S. Airline Passenger Has Fallen to 1 in 135 Million

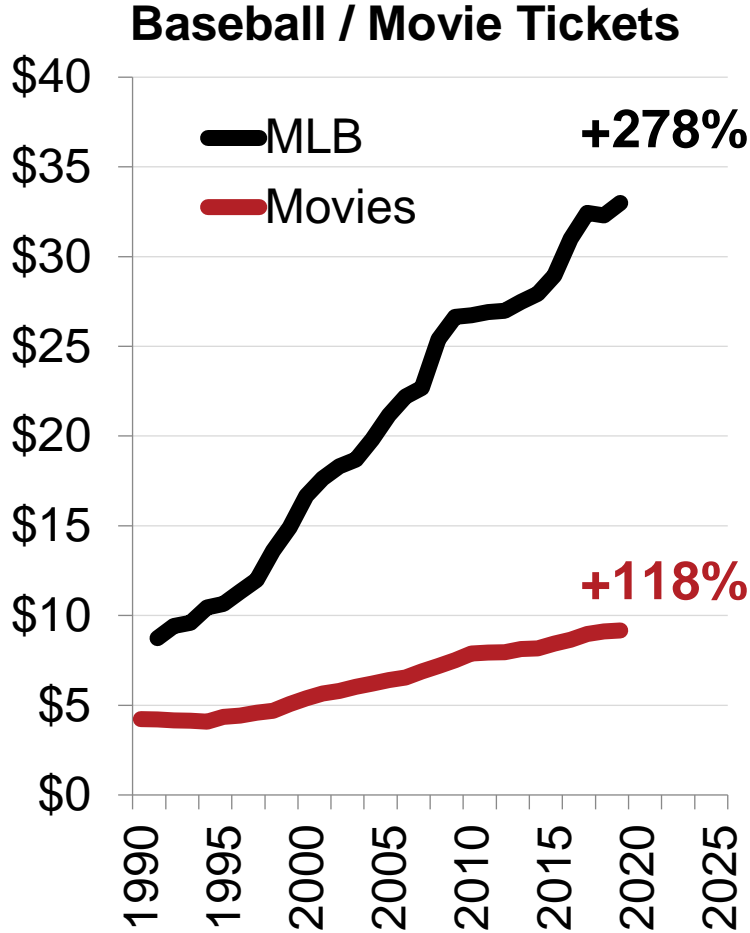
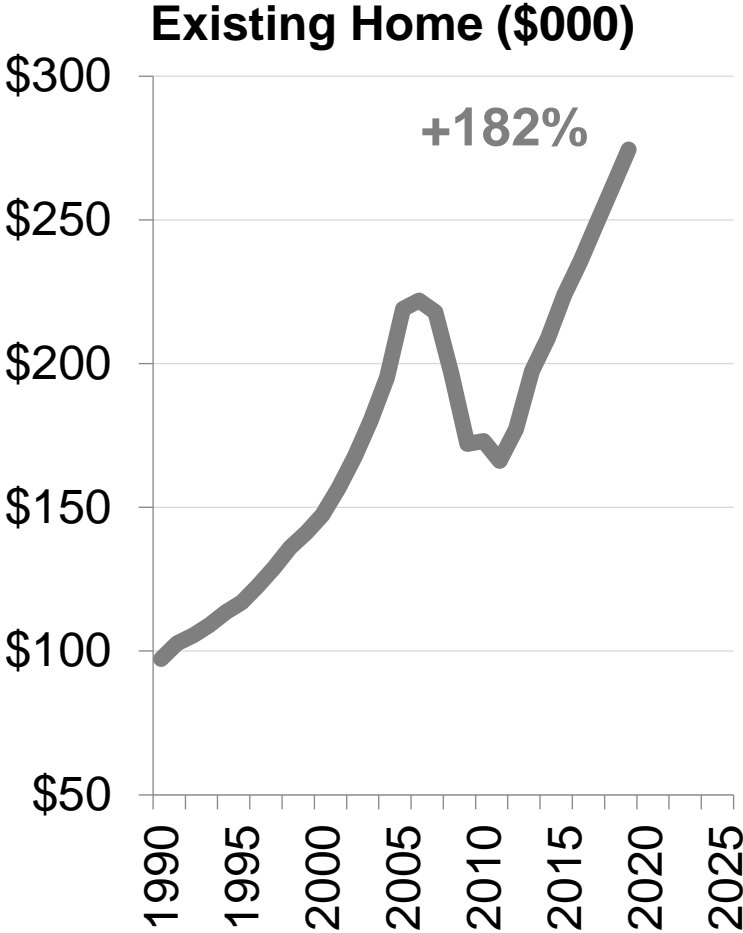
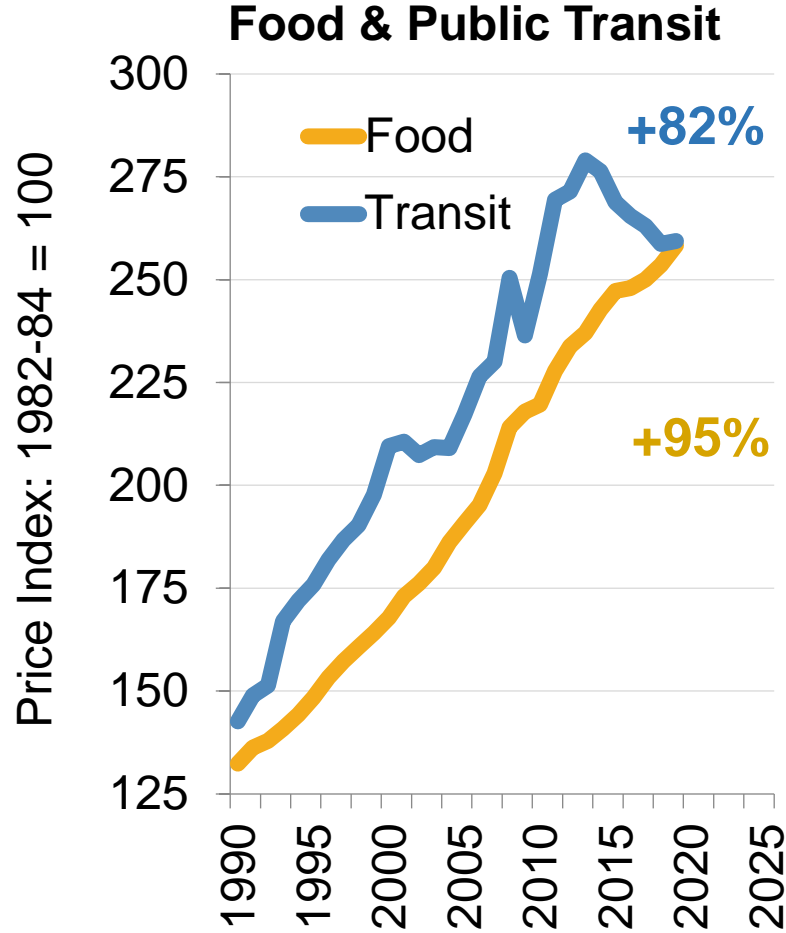
Airline Passenger Fatalities per Billion Passengers Boarded*



Source: Dr. Arnold Barnett, Massachusetts Institute of Technology

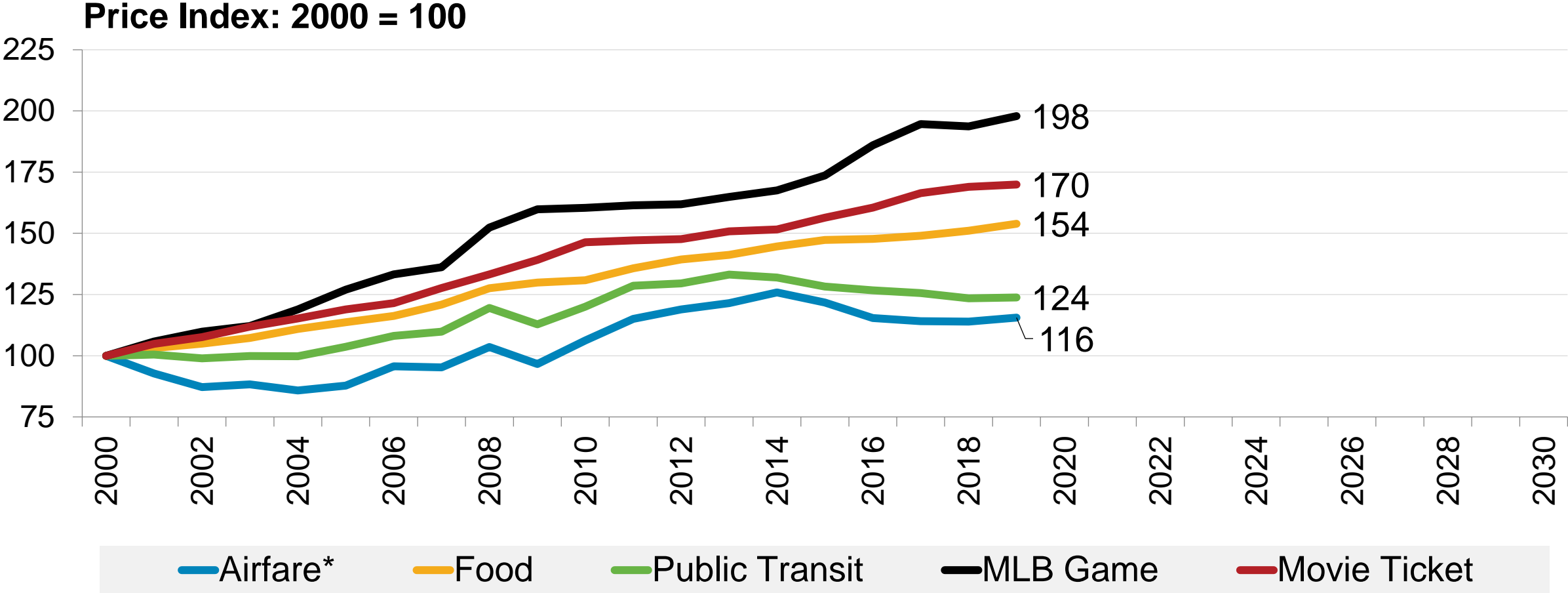
* Includes deliberate acts

Americans Have Seen Increases in the Average Price of Food, Shelter, Public Transportation and Entertainment Over The Past Two and a Half Decades



Source: Federal Reserve Bank of St. Louis, National Association of Realtors, National Association of Theatre Owners, Team Marketing Report

Since 2000, the Price of Purchasing Food, Taking the Bus/Train, or Going to the Movies/Ballpark Has Significantly Outpaced the Price of Taking a Trip by Air



Source: A4A, BTS, FRB St. Louis, National Association of Theatre Owners, Team Marketing Report

* Domestic round-trip average, including bag and change fees

Relative to Most Consumer Goods and Services, Air Travel Is a Bargain

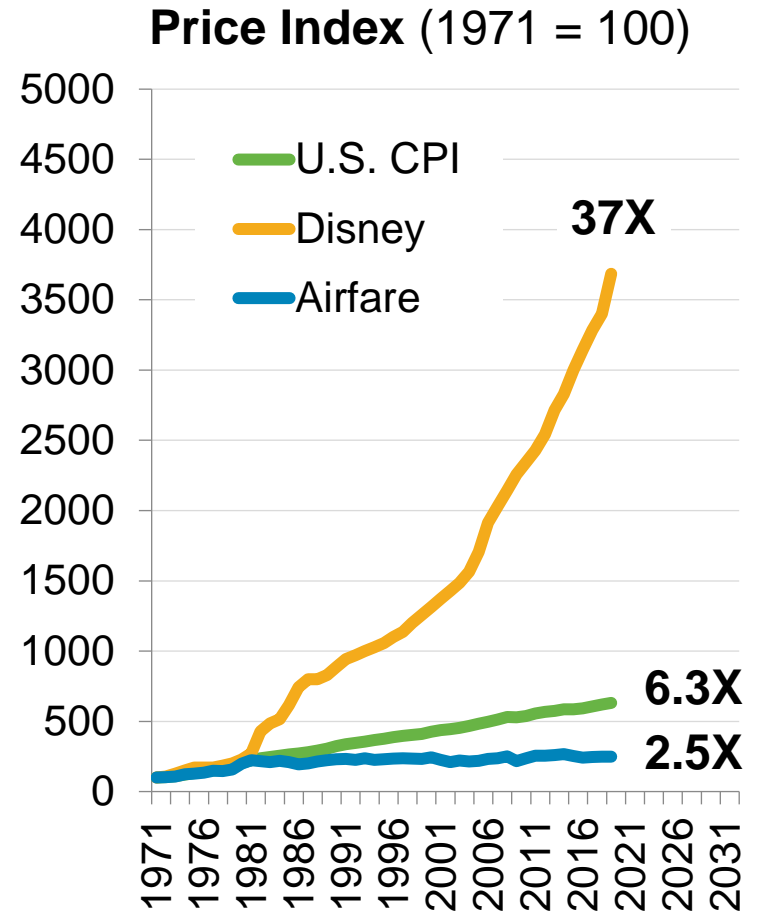
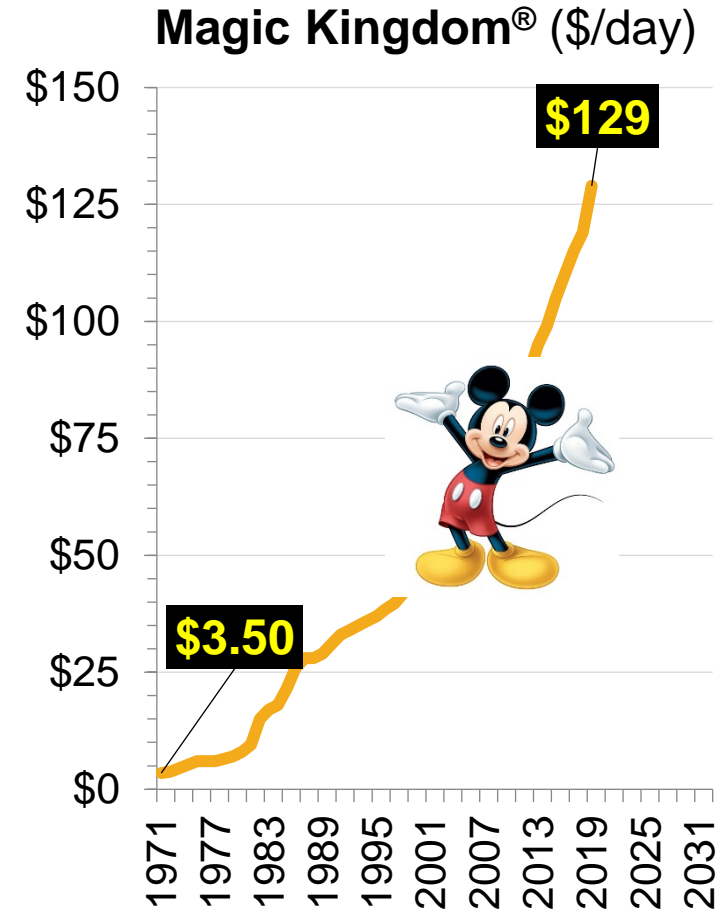
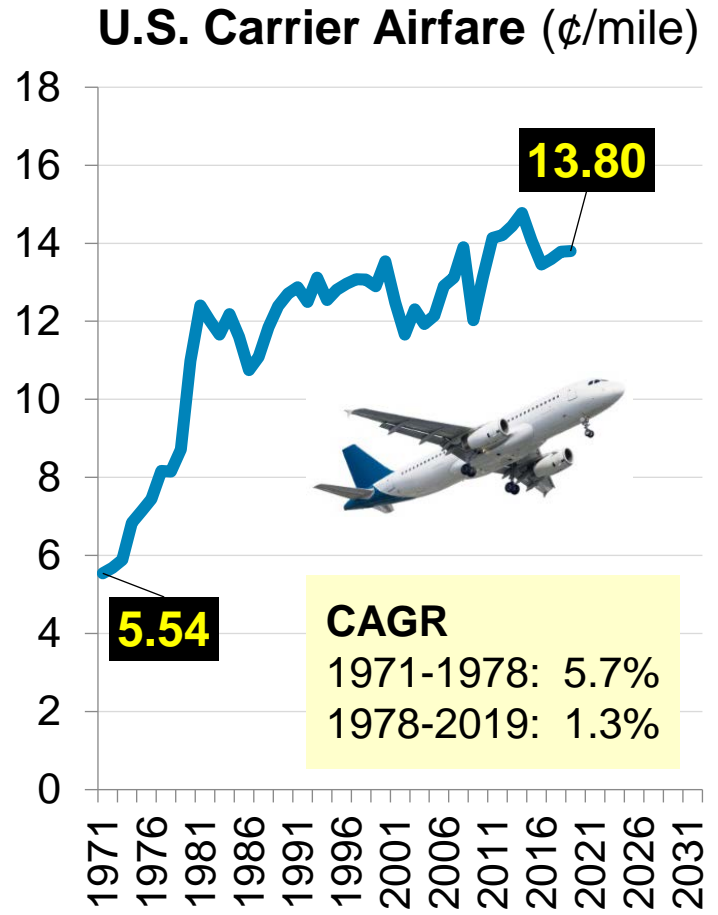
<u>U.S. Consumer Good (Unit)</u>	<u>2010</u>	<u>2019</u>	<u>% Δ</u>
Public College Tuition & Fees (4-Year, In-State, Net)	\$1,945	\$3,870	99
Single-Family Home (Existing)	\$173,100	\$274,500	59
Disney World® Magic Kingdom (1-Day, Adult, Regular Season)	\$82	\$129	57
Disposable Personal Income per Capita (Annual)	\$36,524	\$49,980	37
National Football League Game (Nonpremium Ticket)	\$76.47	\$102.35	34
Prescription Drugs (BLS Index)	407.824	526.785	29
Cable/Satellite Television Service (BLS Index)	372.405	479.399	29
Lodging [Hotels/Motels/Inns] (BLS Index)	133.654	165.827	24
Major League Baseball Game (Nonpremium Ticket)	\$26.74	\$32.99	23
Vehicle (New, Retail)	\$30,079	\$36,824	22
Food (BLS Index)	219.623	258.320	18
U.S. Consumer Price Index (CPI-U)¹	218.056	255.657	17
Movie Ticket (One Adult)	\$7.89	\$9.16	16
Indoor Plants and Flowers	114.700	131.121	14
Air Travel (R/T Domestic Fare + Ancillary)²	\$337.38	\$367.34	9
Apparel: Clothing/Shoes/Jewelry (BLS Index)	126.197	131.762	4
Public Transit	251.400	259.375	3
Gasoline (Gallon, Unleaded Regular, Retail Including Taxes)	\$2.788	\$2.636	(5)
Television (BLS Index)	7.985	1.590	(80)

1. BLS “measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services.”

2. Excludes taxes; includes revenue from reservation changes and baggage

Within the Travel-and-Tourism Sector, Airfare Remains One of the Better Bargains

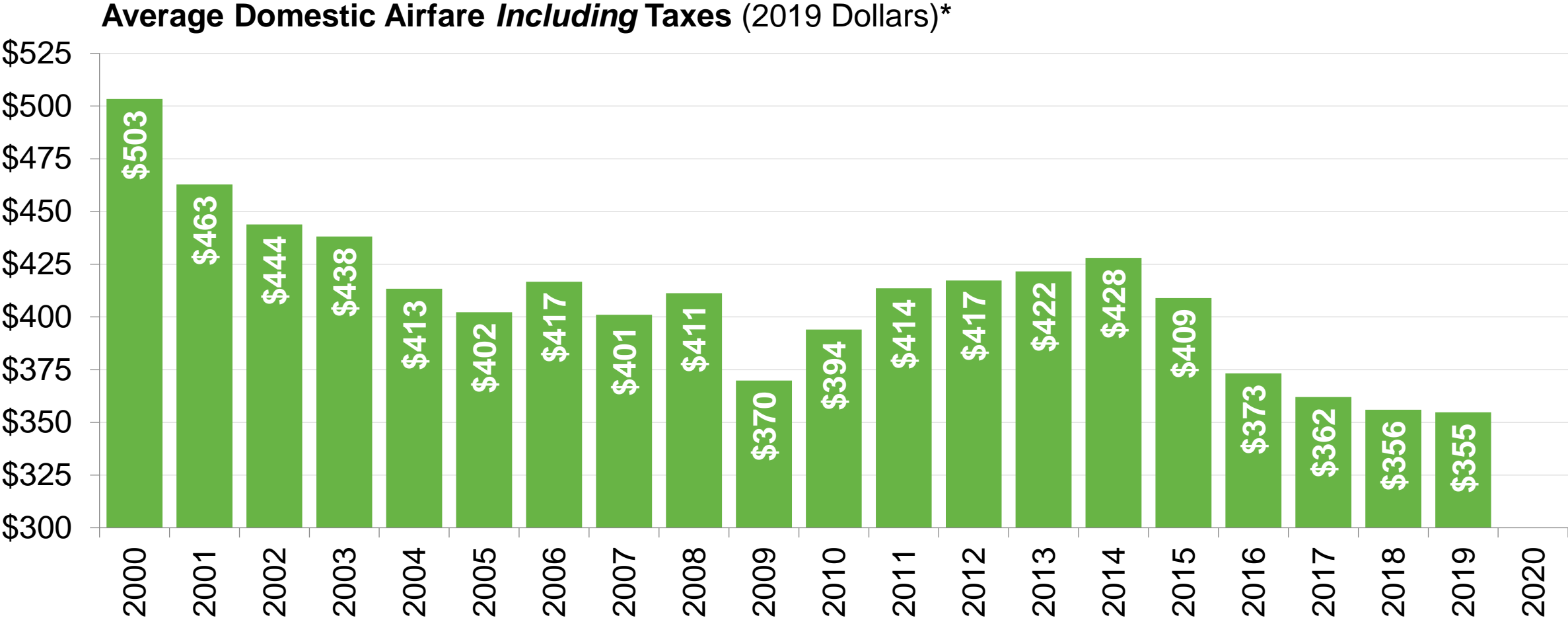
In Contrast to Air Travel, the Price of a Day at Disney Rose 37-Fold From 1971 to 2019



Sources: A4A Passenger Airline Cost Index (using DOT Form 41 passenger yield), allears.net, "How theme parks like Disney World left the middle class behind" (Drew Harwell, *The Washington Post*, June 12, 2015) and "Disney Introduces Demand-Based Pricing at Theme Parks" (Brooks Barnes, *The New York Times*, Feb. 27, 2016)

2019 Inflation-Adjusted Fares Were Lowest Ever Recorded by DOT

Gross Fares (Airfare + Ticket Taxes) Down 10 Percent From 2010, 29 Percent From 2000



Source: Bureau of Transportation Statistics

* Adjusted for inflation; round trips, but includes one-ways if no return purchased

Air Transport Association Advertisement, *The Saturday Evening Post*, March 22, 1941

“Air Travel Is Not Expensive: See for Yourself...It Costs Less Than You Think”

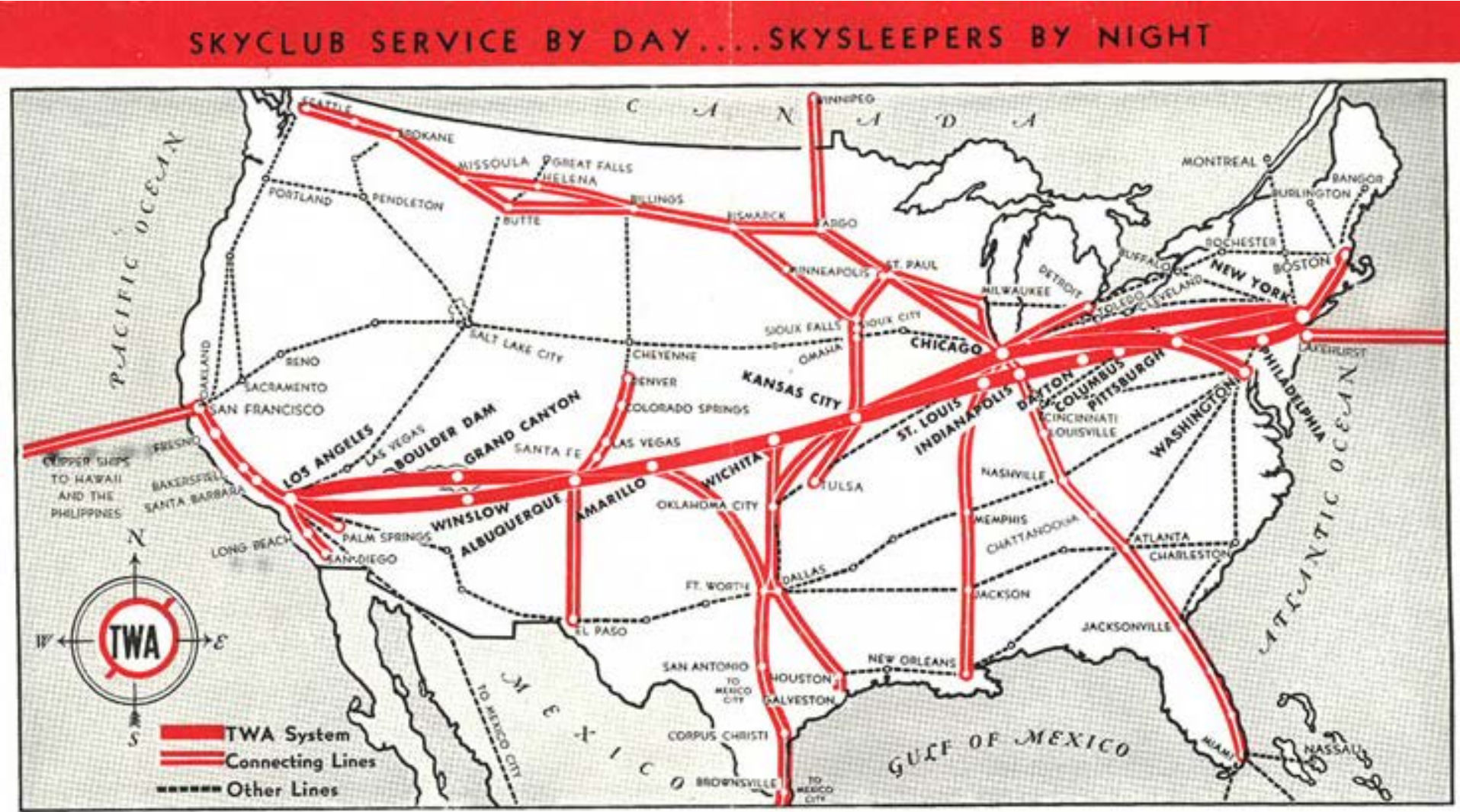
- In 1941, a one-way ticket from BOS to LAX in cost the traveler \$156.42 and required 15 hours and 15 minutes – including 12 stops

One-way Fares Elapsed Time ★ between ↗	Atlanta	Chicago	Cleveland	Houston	Kansas City	Los Angeles	Memphis	Mexico City	Miami	Phoenix	St. Louis
Bermuda ★ Time	\$ 118.15 12:35	114.95 12:35	96.70 10:35	164.15 21:00	136.45 15:30	219.95 25:50	132.10 13:09	222.60 28:05	141.75 15:20	209.90 22:50	123.50 13:50
Boston Time	\$ 60.10 7:47	51.42 5:03	35.17 3:37	106.10 12:25	72.92 7:26	156.42 15:15	74.05 8:10	164.55 20:40	83.70 8:47	148.57 17:10	63.37 8:01
Dallas-Ft. Worth Time	\$ 38.50 5:27	46.85 6:22	64.40 8:57	14.00 1:35	27.50 3:38	69.85 7:23	27.40 2:30	70.00 7:10	75.75 10:42	57.30 6:07	33.90 4:23
Denver Time	\$ 79.90 14:50	51.47 5:17	69.72 7:20	60.80 8:12	36.15 5:04	57.23 6:50	61.98 11:07	116.80 16:07	122.55 20:30	58.95 9:13	49.10 7:06
Detroit Time	\$ 46.40 7:10	13.75 1:38	7.90 0:39	74.10 11:29	35.25 4:13	118.75 13:03	40.13 6:18	130.10 18:08	83.65 10:40	113.65 14:38	26.20 8:23
Minneapolis-St. Paul Time	\$ 55.40 10:25	16.50 2:15	34.75 4:45	65.50 11:47	24.00 3:26	101.91 14:17	42.28 5:55	121.50 18:35	92.65 13:35	107.50 16:55	28.35 4:00
New Orleans Time	\$ 25.70 2:40	46.64 6:15	63.46 8:15	20.30 2:05	46.64 3:35	99.46 16:20	19.76 2:30	80.30 9:10	47.20 6:23	86.91 14:00	33.69 4:20
New York Time	\$ 48.15 5:30	44.95 3:33	26.70 2:23	94.15 11:10	66.45 6:03	149.95 13:45	62.10 5:57	152.60 18:20	71.75 8:25	139.90 14:57	53.50 5:40
Pittsburgh Time	\$ 49.35 5:38	23.95 2:29	7.00 0:50	80.40 12:08	45.45 4:42	128.95 12:35	45.70 6:02	136.40 19:15	72.95 8:15	119.50 13:52	32.50 3:08
San Francisco Time	\$ 126.55 16:50	105.00 11:12	123.25 13:45	102.80 12:40	94.03 11:24	18.95 2:00	115.45 13:16	128.95 18:15	168.20 14:30	42.10 4:30	105.00 14:00
Seattle Time	\$ 137.90 21:50	99.00 13:05	117.25 15:40	127.23 17:40	96.24 13:08	62.93 7:00	125.88 18:16	172.93 23:15	175.15 26:50	86.08 10:00	111.95 15:19
Washington Time	\$ 35.95 2:50	36.00 3:49	19.10 1:55	81.95 9:15	56.65 6:06	139.75 13:55	49.90 4:15	140.45 16:30	59.55 6:45	127.75 13:15	43.70 4:40

*Fares include meals. No tips, no extras. 10% saving on round-trip tickets.
Fares subject to change without notice*

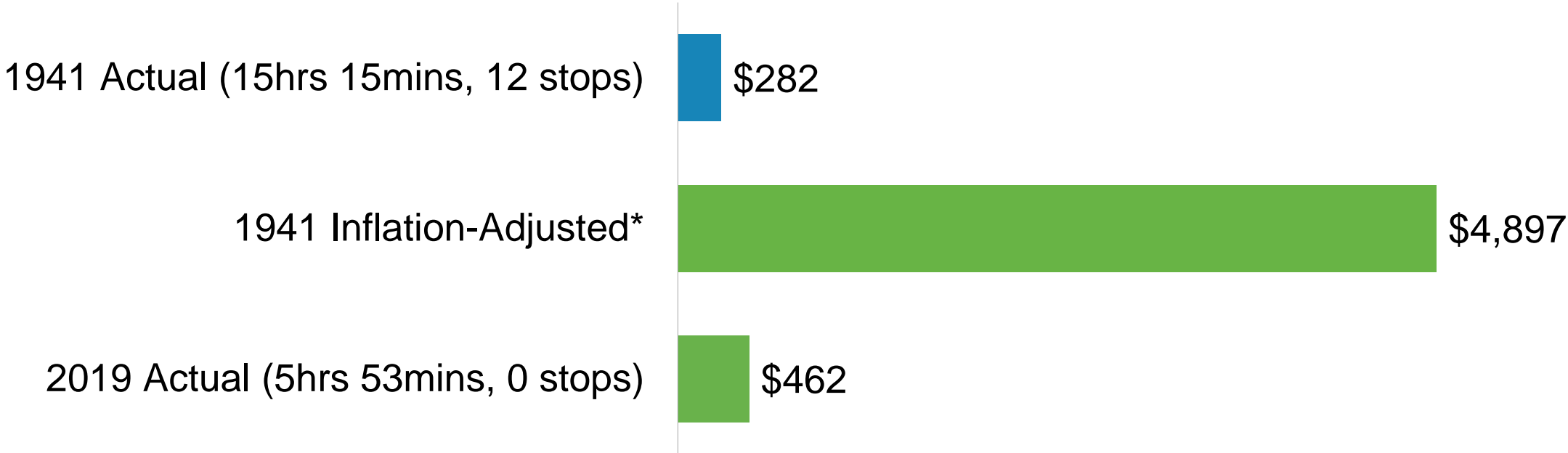
★ Elapsed time in hours and minutes

BOS-LAX Was Not a Simple Journey in the So-Called “Golden Age” of Air Travel



Boston-Los Angeles Air Travel: 61 Percent Faster, 91 Percent Cheaper (in Real* Terms)

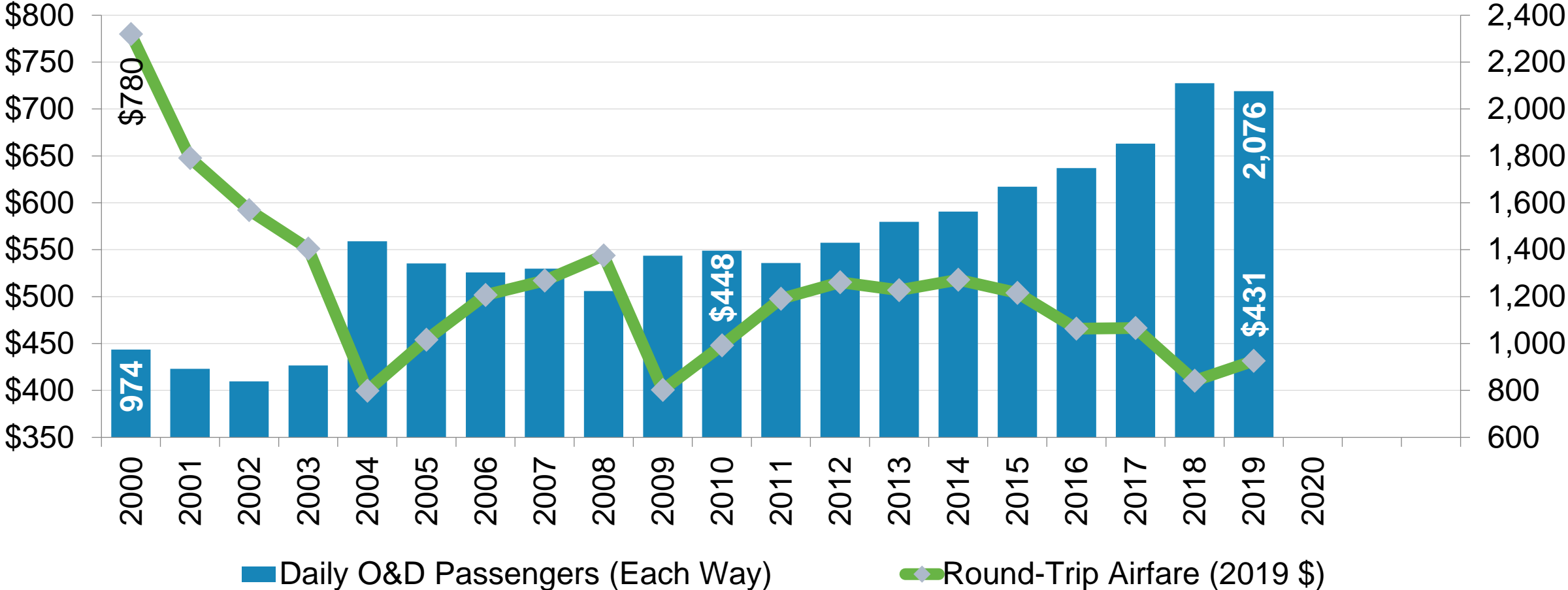
Average Round-Trip BOS-LAX Airfare and Average Block Time Each Way



Source: DOT Data Bank 1B via Diio Mi; "Air Travel Is Not Expensive," *The Saturday Evening Post* (Mar. 22, 1941), p. 59; Campbell-Hill Aviation Group

* Adjusted using 2019 constant dollars (<http://www.bls.gov/cpi/#tables>)

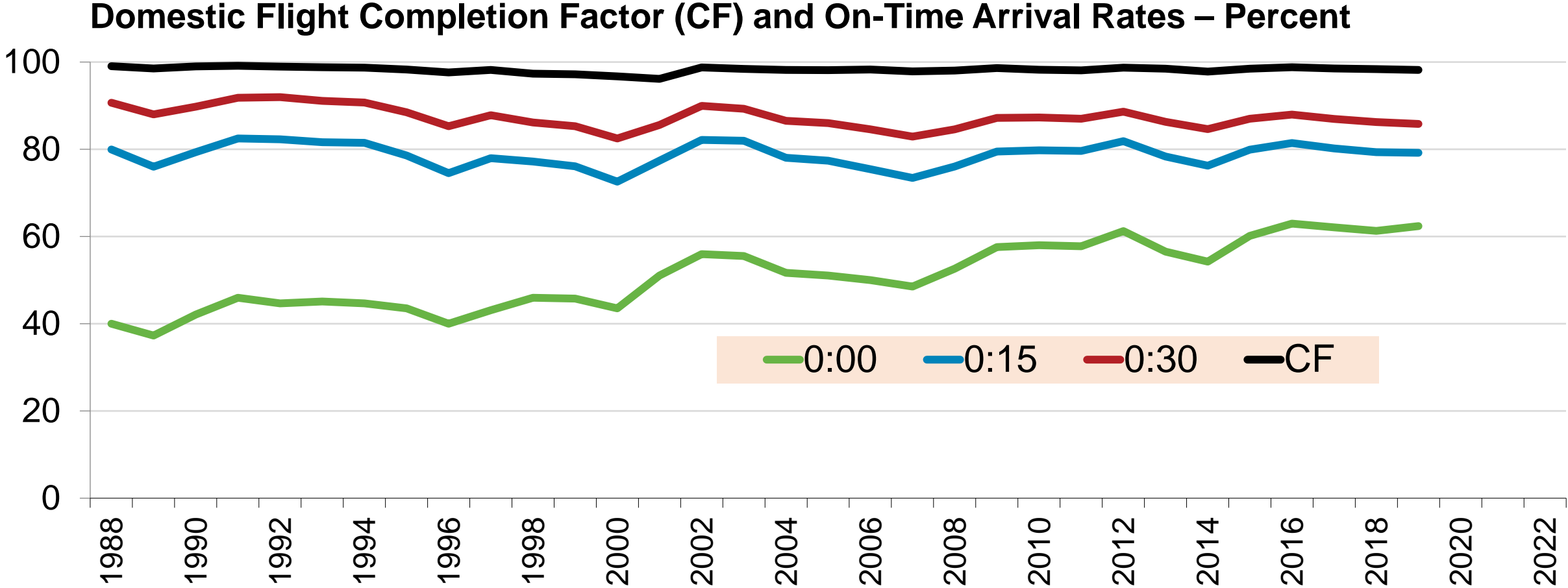
From 2000-2019, Boston-Los Angeles* Airfare Declined Materially; Traffic More Than Doubled



Source: DOT Data Bank 1B (Passenger Origin-Destination Survey) via Diio Mi

* BUR/LAX/LGB; 91% of BOS-LAX* passengers flew nonstop in 2018

The Share of Flights Arriving Early or on Schedule Has Risen Steadily Over the Past Few Decades, Whereas On-Time 0:15 and 0:30 Have Been Relatively Flat



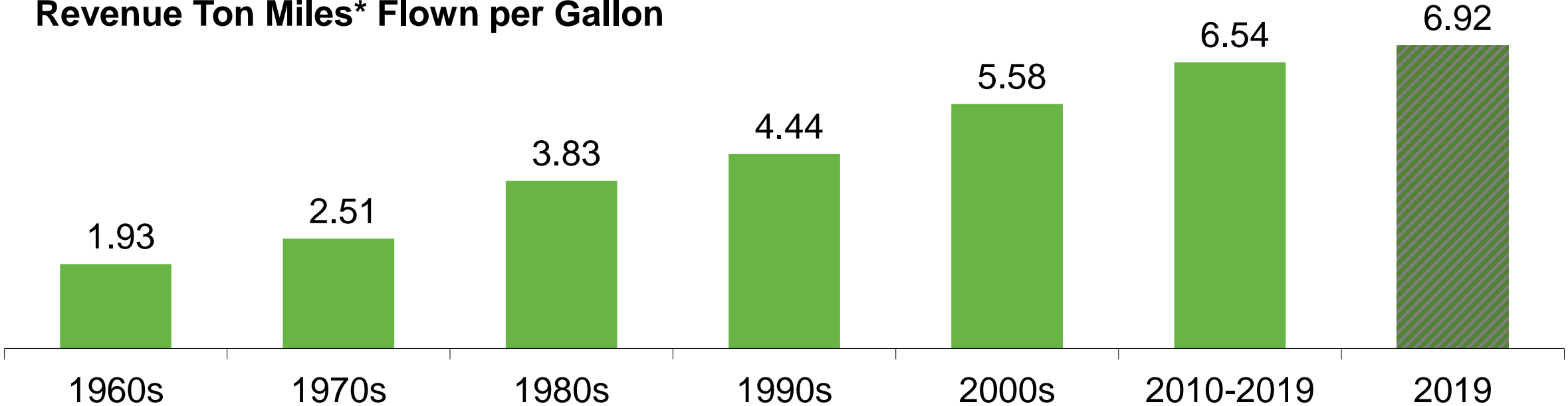
Source: Bureau of Transportation Statistics

With Each Decade, U.S. Airline Fuel Efficiency Has Improved – Up 137% From 1978-2019

“[T]his is not an industry that is sitting still on sustainability. It is working, investing and collaborating to minimize its environmental impact. The same cannot be said of most governments...”

-- Karen Walker, “Aviation taxes don’t reduce emissions,” *Air Transport World* (Sept. 24, 2019)

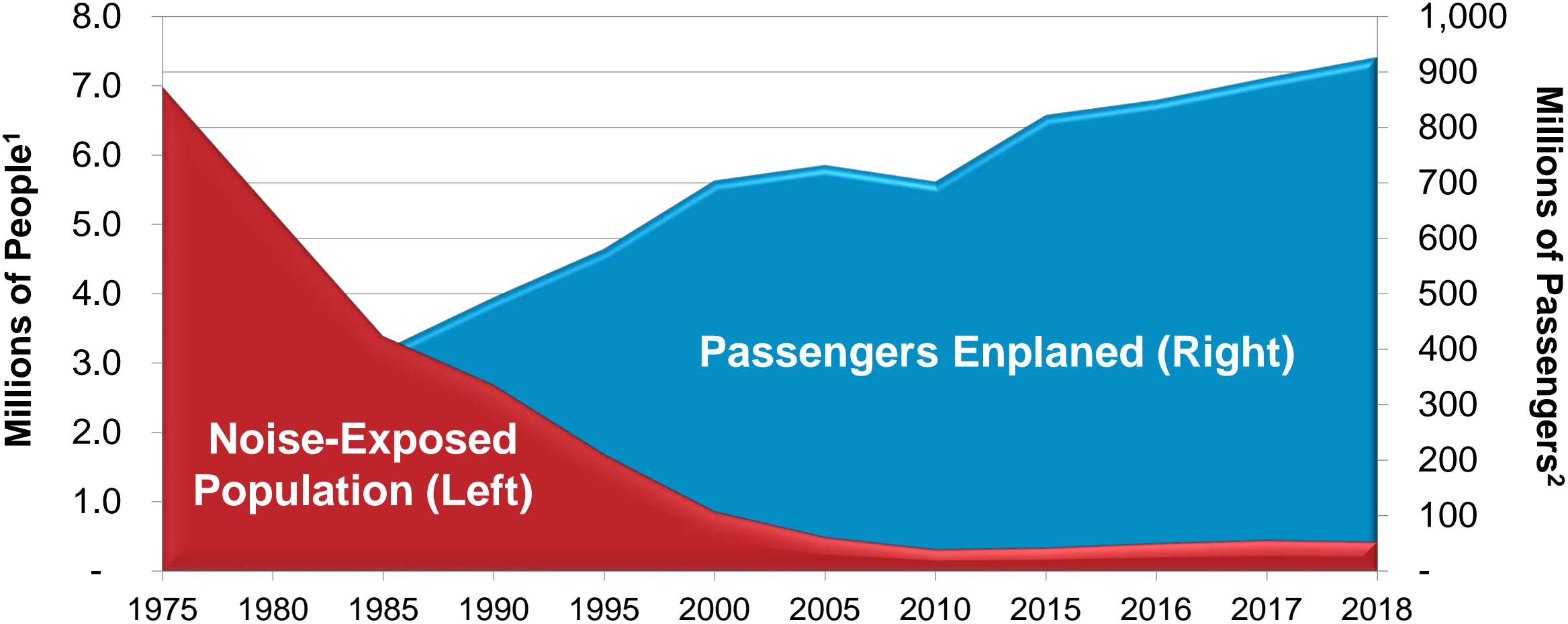
Revenue Ton Miles* Flown per Gallon



Source: A4A and BTS, for all U.S. passenger and all-cargo airlines

* An RTM is a single ton of payload (passengers or cargo) carried one mile in revenue service

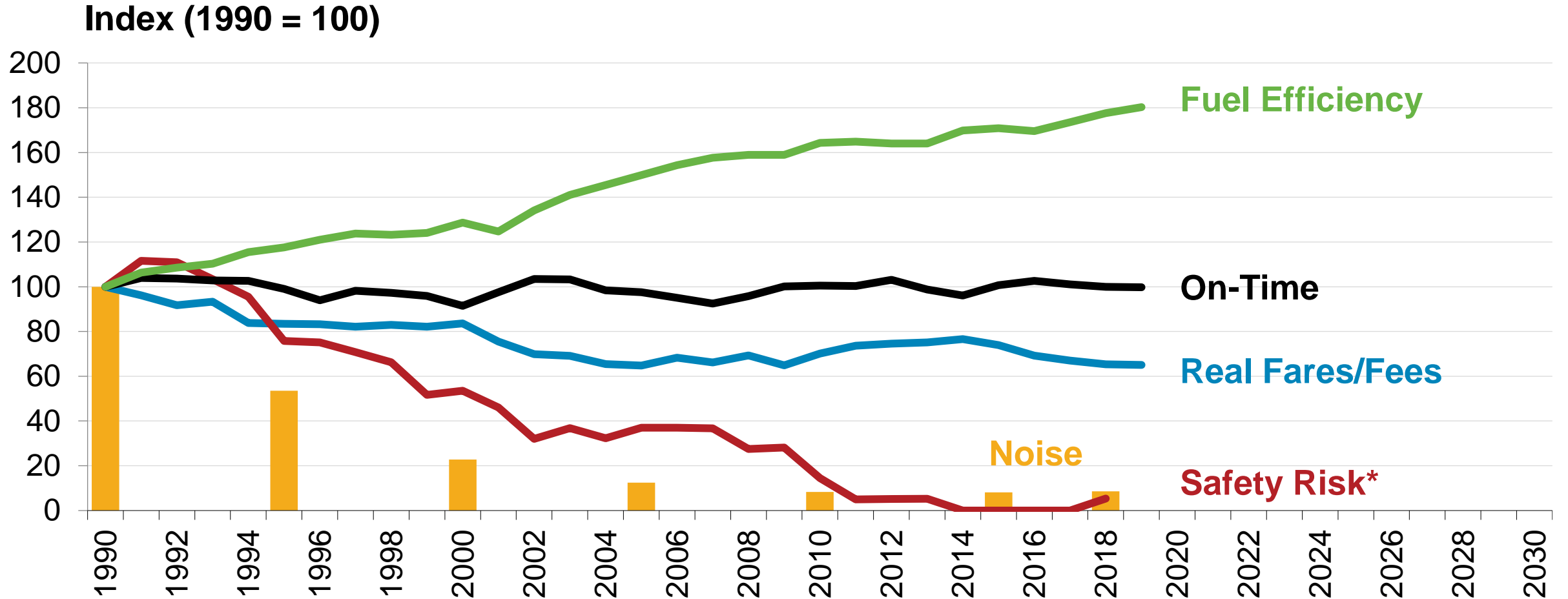
Commercial Aviation Has Gotten Markedly Quieter: Noise Exposure Plunged As Traffic Surged



1. U.S. residents exposed to significant (65 dB DNL) noise levels from all aviation operations within U.S. airspace 2. Passengers enplaned on U.S. and foreign flag carriers as captured in the FAA Terminal Area Forecast (TAF)

The Value Proposition for U.S. Air Travelers Is Alive and Well

It's Safer, It's Greener, It's Quieter, It's ~80 Percent On-Time and It's Still a Bargain



* Five-year-moving-average fatal accident rate for U.S. air carriers operating under 14 CFR 121 scheduled service



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